

REMARKS

The Office Action dated March 17, 2008 (“Office Action”) and cited references have been considered. Claims 1-28 and 31-34 are currently pending in this application. In this paper, claims 1, 14, 15, 28 and 31 have been amended, claims 29-30 have been cancelled, and new claims 32-34 have been added. Reconsideration and allowance are respectfully requested.

1. Objection Under 37 C.F.R. § 1.75(c)

In paragraph 2 of the Office Action, claim 29 was objected to under 37 C.F.R. § 1.75(c) as being of improper dependent form. Claim 29 has been cancelled. Accordingly, withdrawal of the rejection is respectfully requested.

2. Rejection Under 35 U.S.C. § 101

In paragraph 4 of the Office Action, claims 29-31 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claims 29 and 30 have been cancelled. Claim 31 has been amended to recite a processor readable medium and instructions stored on the medium. Applicant respectfully submits that claim 31 recites statutory subject matter. *See In re Beauregard*, 35 USPQ2d 1383 (Fed. Cir. 1995). Accordingly, reconsideration and withdrawal of the rejection under § 101 is respectfully requested.

3. Rejections Under 35 U.S.C. § 112, ¶ 2

In paragraph 6 of the Office Action, claims 1-31 were rejected under 35 U.S.C. § 112, ¶ 2 for indefiniteness.

Claims 29 and 30 have been cancelled.

Claim 31 has been amended to recite a computer readable medium. The term “carrier” has been deleted.

As to claims 1, 15, and 31, Applicant respectfully submits that the term “payment product” is sufficiently clear to satisfy § 112, ¶ 2. The standard for satisfying § 112, ¶ 2 is as follows:

Determining whether a claim is definite requires an analysis of “whether one skilled in the art would understand the bounds of the claim when read in light of the specification . . . If the claims read in light of the specification reasonably apprise those skilled in the art of the scope of the invention, Section 112 demands no more.”

Personalized Media Communications LLC v. ITC, 48 USPQ2d 1880, 1888 (Fed. Cir. 1998) (quoting *Miles Lab., Inc. v. Shandon, Inc.*, 27 USPQ2d 1123, 1126 (Fed. Cir. 1993)).

Applicant's specification clearly sets forth a number of examples of a payment product. For example, on page 4, lines 5-6, the specification describes the following example: "the payment product comprises one or more of a consumer check, corporate check, cashier check, and money order." The specification also describes the payment product at page 8, line 23 - page 9, line 13, among other places. Applicant respectfully submits that one skilled in the art would understand the meaning of the term "payment product" when read in light of the specification, in compliance with Section 112.

As for the term "local," claims 1, 15 and 31 have been amended to delete this term.

With respect to the term "regular mail," Applicant respectfully submits that the meaning of this term would be understood by one skilled in the art in view of the specification. For example, the specification describes a number of examples of the regular mail being carried by the U.S. Postal Service (USPS). See specification at page 6, lines 14-16; page 9, lines 19-22; and page 12, lines 18-20.

As for a "mail item" not sent by mail, the specification provides examples of an envelope being such a mail item. See specification at page 6, line 9; page 7, lines 13-14. Applicant respectfully submits that one skilled in the art would understand the meaning of the term "mail item" when read in view of the specification.

In view of the above remarks and explanations, Applicant respectfully submits that the claims as amended satisfy 35 U.S.C. § 112, ¶ 2. Accordingly, reconsideration and withdrawal of this rejection is respectfully requested.

4. Rejection Under 35 U.S.C. § 103

In paragraph 8 of the Office Action, claims 1, 3, 5-8, 10-13, 15, 17, 19-22, 24-27 and 29-31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0200107 to Allen et al. (hereinafter "Allen"). This rejection is respectfully traversed. Prior to discussing the rejection, however, a brief summary of an embodiment of Applicant's invention is provided in order to highlight some of its advantageous characteristics.

Figure 3 of Applicant's specification, reproduced below, shows an exemplary system for check processing at a distributed postal site.

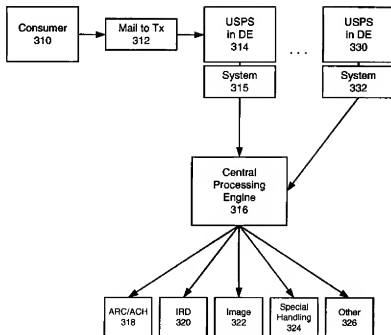


Figure 3

According to this embodiment, a consumer 310 may be located at a specific state, such as Delaware. The consumer 310 may have a mail item 312 (*e.g.*, an envelope) that is addressed to a Texas address having an appropriate code or identifier (*e.g.*, a zip code). As far as the consumer 310 is concerned, the mail item 312 is addressed to Texas and will be routed through the appropriate conventional mail channels, *i.e.*, physically transported to the addressee in Texas. The mail item 312 may be sent to a mail facility located in Delaware. For example, if the mail item 312 is sent from the consumer's home in Delaware, the mail item 312 will be received at a local post office in Delaware, as shown by 314. At the local post office in Delaware 314, the mail item 312 addressed to Texas will be routed to a local processing system 315 in Delaware. The system 315 may be integrated with a post office and may be located at the post office or at a proximal location (*e.g.*, next building, different floor, etc.).

The system 315 may then electronically transmit scanned payment data to a central processing engine 316. The actual payment product (*e.g.*, the paper check) may then be destroyed at the system 315. The scanned payment data may include a scanned image of the payment product including any associated paperwork. The payment data transmitted by the

system 315 to the central processing engine 316 may also include an identifier and/or other data such as a MICR line, payment amount, routing number, transit number, payee information, and/or payor information. The central processing engine 316 may receive scanned payment data from a plurality of systems, as shown by system 332 associated with a post office 330. The central processing engine 316 may then determine a payment type (*e.g.*, personal check, corporate check, cashier's check, money order, etc.) and determine an optimal clearing path (*e.g.*, accounts receivable conversion (ARC)/automated clearing house (ACH) payment, image replacement document (IRD), image exchange, special handling, etc.) for the payment product. The payment product may then be cleared through the appropriate channel, such as ARC/ACH 318, IRD 320, image exchange 322, special handling 324, or other channel 326.

This embodiment of the invention can be transparent to the consumer. Specifically, the consumer 310 making the payment will likely have no idea that a change has occurred in how their payments are processed, *i.e.*, that the paper check is destroyed at the system 315 in Delaware and the transaction is thereafter processed electronically.

Some of the advantages to the mail facility may include reduced mail volume, increased profit margins from postage paid by the consumer even though the mail does not move past the original city, a new revenue stream, co-location revenue, and new use of facilities to decrease downsizing, for example. Some of the advantages to a financial institution may include reduction of facilities, less need for regional facilities, and decreased incoming volume to the remaining facilities, for example. The invention may also provide the advantage of an additional 1-2 days of float on payments. These and other advantages are described in Applicant's specification on pages 13-14.

The Allen application, by contrast, describes a rent collection system and process for use by property owners and managers. *See* Allen ¶ 2. The Allen system includes a collection processor 10, a payment service center 60, and a property management system 70, among other things. *See* Allen Figure 1. The collection processor 10 is employed to control the process of payment collection. Allen ¶ 30. The payment service center 60 is employed to receive payments in the form of papers, such as checks and money orders, from various accounts or customers or tenants. Allen ¶ 32. The payment service center 60 is a physical location where all paper payments handled by collection processor 10 are handled. Allen ¶ 80. The property

management system 70 is a personal computer that includes an accounting software system, which is typically a software system for property management. Allen ¶ 36.

Allen does not disclose or suggest the invention recited in Applicant's claim 1:

1. A method for processing payment products, the method comprising the steps of:

- receiving a mail item comprising a payment product at a mail facility;
- identifying a routing code associated with the mail item;
- routing the mail item to a payment processing system, based at least in part on the routing code;
- at the payment processing system, extracting the payment product from the mail item;
- electronically transmitting payment data associated with the payment product to an intended recipient for processing; and*
- destroying the payment product at the payment processing system.*

By contrast, Allen teaches that the paper checks are *physically deposited at the bank*. See, e.g., Allen at Figure 3 (showing a person physically carrying checks to the bank 92); Allen ¶ 84 (“A check transport system 208 is configured to receive the extracted and batched mail Typically, the check transport system 208 includes a plurality of sorting pockets.”); Allen ¶ 88 (“A deposit preparation stage 214 is provided and configured to prepare deposit slips.”); Allen ¶ 92 (“Payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment.”).

Allen does not disclose or suggest the combination of *receiving a mail item comprising a payment product at a mail facility; electronically transmitting payment data associated with the payment product to an intended recipient for processing; and destroying the payment product at the payment processing system*, as recited in Applicant's claim 1. Allen also does not recognize or suggest the advantages provided by exemplary embodiments of Applicant's invention, such as reduced mail volume, increased profit margin from postage paid by the consumer even though the mail does not move past the original city, and a reduction of the mail facilities needed by a financial institution receiving payments, among others.

The Office Action cites an isolated passage in Allen as allegedly curing the deficiencies noted above. In particular, the Office Action states on pages 6-7:

Allen teaches electronically transmitting payment data associated with the payment product to an intended recipient for processing (image forwarded to collection processor)

and destroying the payment product at the payment processing system (paragraph 95 page 7) but this is a slightly different embodiment.

Applicant respectfully disagrees. Not only does Allen fail to mention the advantages of Applicant's invention, but in fact Allen teaches away from Applicant's claim 1 combination. In particular, Allen teaches that in the normal course, all the paper checks are physically transported to the bank for deposit. *See* Allen ¶ 92 and Figure 3. Allen teaches that a check transport system 208 is used to receive the extracted and batched mail (¶ 84); and a deposit preparation stage 214 is provided and configured to prepare deposit slips (¶ 88). The paragraph 95 cited in the Office Action describes a *mistake* by the tenant in which the tenant "sends a check to the property management company *instead of the designated P.O. Box number.*" Only in that case of tenant error does the check get destroyed. Moreover, in that case, the property management company is not the mail facility, so that even this alternative process in Allen does not disclose the subject matter of Applicant's claim 1. If the check in Allen is sent to the correct address, it is physically deposited at the bank.

The modification proposed in the Office Action would also destroy much of the functionality of the Allen system. For example, it would render useless the check transport system 208, the deposit preparation stage 214, the staging module 218, etc.

For at least these reasons, Applicant respectfully submits that it would not have been obvious to make the modifications to the Allen system suggested in the Office Action. Rather, it is apparent from reviewing the Office Action that the rejection is based on hindsight using Applicant's disclosure as a template, which is improper. For the foregoing reasons, Applicant respectfully submits that the rejection under § 103 is improper and requests reconsideration and withdrawal of the rejection.

Independent claims 15 and 31 recite features similar to claim 1 and are believed to be allowable for essentially the same reasons that claim 1 is allowable. In addition, the dependent claims are believed to be allowable because they depend from and include the features of either claim 1 or 15 or 31. The dependent claims are also believed to be allowable for additional reasons based on the additional features they recite. For example, claim 10 recites that the intended recipient identifies a payment type based on the payment data, which is not disclosed or suggested in Allen. Claim 11 recites that the intended recipient further determines an

appropriate clearing path, based at least in part on the payment type, which is not disclosed or suggested in Allen. The other dependent claims recite additional distinguishing features.

In view of the foregoing remarks, Applicant respectfully submits that claims 1, 3, 5-8, 10-13, 15, 17, 19-22, 24-27 and 29-31 are patentable over Allen and requests withdrawal of the rejection under 35 U.S.C. § 103 in view of Allen.

In paragraph 9 of the Office Action, claims 2, 4, 9, 14, 16, 18, 23 and 28 were rejected under 35 U.S.C. § 102(a) as being unpatentable over Allen in view of Official Notice. Applicant does not concede that the Examiner's use of Official Notice is proper or supportable. However, even assuming strictly for the sake of argument that the Examiner's use of Official Notice is proper, Applicant respectfully submits that the Official Notice cited by the Examiner does not remedy the deficiencies of Allen as discussed above. Therefore, claims 2, 4, 9, 14, 16, 18, 23 and 28 are believed to be allowable.

5. New Claims

To further define the protection to which Applicant is entitled, new claims 32-34 are submitted. The new claims are patentable over the cited references because the new claims recite combinations of features that are not disclosed or suggested by the cited references. For example, claims 32-34 recite that the mail facility is a local post office and the payment processing system is within or proximate to the local post office.

6. Conclusion

Having addressed all of the outstanding rejections of record, Applicant respectfully submits that the application is in condition for allowance and notice to that effect is earnestly solicited. If there are any questions regarding this Amendment or the application in general, the Examiner is encouraged to contact the undersigned at the phone number listed below to expedite prosecution.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 50-0206, and please credit any excess fees to the same deposit account.

Respectfully submitted,

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